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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. **1893**

March 19, 2009

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The bill was read for the first time and referred to the Committee on State and Local Government Operations Reform, Technology and Elections

May 7, 2009

By motion, recalled and re-referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to public employment; authorizing retirement incentives.

1.3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.4 Section 1. **RETIREMENT INCENTIVE.**

1.5 Subdivision 1. Eligibility. (a) An eligible appointing authority may offer the
1.6 retirement incentive in this section to an employee who:

1.7 (1) has at least 15 years of allowable service in one or more of the funds listed in
1.8 Minnesota Statutes, section 356.30, subdivision 3, or has at least 15 years of coverage by
1.9 the individual retirement account plan governed by Minnesota Statutes, chapter 354B,
1.10 and upon retirement is immediately eligible for a retirement annuity or benefit from one
1.11 or more of these funds;

1.12 (2) terminates service after the effective date of this section, and before July 15,
1.13 2011; and

1.14 (3) is not in receipt of a public retirement plan retirement annuity, retirement
1.15 allowance, or service pension during the month preceding the termination of qualified
1.16 employment.

1.17 (b) An eligible appointing authority is any appointing authority in the executive,
1.18 legislative, or judicial branch of state government, the Minnesota State Colleges and
1.19 Universities, or the University of Minnesota.

1.20 (c) An elected official is not eligible to receive an incentive under this section.

1.21 (d) An employee who, after termination of employment, receives an employer
1.22 contribution for health insurance, may not receive a payment for health insurance under
1.23 this section from that appointing authority.

2.1 Subd. 2. **Incentive.** For an employee eligible under subdivision 1, the appointing
2.2 authority may for a period of up to 36 months, pay all or part of the employer contribution,
2.3 as specified in the collective bargaining agreement or compensation plan covering the
2.4 position from which the employee terminates service, for health and dental insurance
2.5 for the employee, and, if the employee had dependent coverage immediately before
2.6 retirement, for the employee's dependents. The contributions and coverage provided under
2.7 this section are those the employee was receiving as of the date of termination, subject to
2.8 any changes in contributions and coverage specified in the collective bargaining agreement
2.9 or compensation plan covering the position from which the employee terminated service.

2.10 Subd. 3. **Employer discretion; implementation.** Provision of an incentive under
2.11 this section is at the discretion of the appointing authority. An appointing authority may
2.12 not unreasonably deny the incentive to an employee who requests that it be offered.
2.13 Unilateral implementation of this section by the appointing authority is not an unfair labor
2.14 practice under Minnesota Statutes, chapter 179A.

2.15 Subd. 4. **Acceptance.** An employee who is eligible for an incentive under this
2.16 section, who is offered an incentive by the appointing authority, and who accepts the
2.17 incentive offer must do so in writing. A copy of the acceptance document must be
2.18 provided by the appointing authority to the applicable retirement plan within 15 days of
2.19 its execution.

2.20 Subd. 5. **Reemployment prohibition.** An appointing authority referenced in
2.21 subdivision 1 may not employ or retain as a consultant an individual who received an
2.22 incentive payment under this section for a period of three years after termination of service.